

Research Report

The Impact on Hiring Costs of the Michigan Family Independence Agency's Centrally Coordinated Hiring Pool

Prepared by:



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Cost Comparison

CPS conducted an analysis of the hiring costs of the eighty-four new Children's Protective Services and Foster Care workers hired through the CCHP process during the first six months of 2002. We then estimated the costs of hiring those same employees if the selection process had occurred in the counties in which they were ultimately placed. The annualized cost of hiring the employees through the CCHP process ranged from \$75,600 to \$81,300. The annualized cost of conducting these steps at the county level was estimated at \$127,800 to \$141,200.

Hiring Children's Protective Services and Foster Care workers through the CCHP process provides the FIA an annual savings of between \$50,000 and \$60,000 per year, when compared to the cost of completing these steps at the county level. Table F-1 (page F-2) itemizes the cost of each step using both hiring processes.

**Table F-1: Itemized Costs – CCHP Hiring Process and Local Hiring Process,
Six Month Costs**

Hiring Step	Cost through CCHP Hiring Process	Cost if County Office Completed Hiring Step	Notes
Preparing & Providing candidate lists for counties	\$0.00	\$672.00	1 hour for each selection event * \$16
Applicant Screening	\$2,836.00	\$10,375.00	Applicants per interview * hours * hourly rate
Designing selection process	\$0.00	\$2,419.00	2 supervisors * 1 hour * hourly rate
Scheduling Supervisors for Panels	\$765.00	\$0.00	11 sessions * 3 hours' salary
Scheduling Interviews	\$677.00	\$1,029.00	10 min per interview * hourly rate
Supervisor Interviewing Time	\$26,256.00	\$41,688.00	
Travel Expense	\$4,257.00	\$0.00	
Reference Checks	\$2,551.00	\$3,628.00	84 * number of checks * .5 hours * hourly rate
Background Checks	\$336.00	\$772.00	
Writing Samples (scoring)	\$90.00	\$121.00	
Computer Proficiency (proctoring)	\$84.00	\$336.00	
HR Technical Assistance	\$0.00	\$2,251.00	
Review of Selection Package	\$0.00	\$604.00	
Credential Reviews (if local offices choose to have them done centrally).	\$2,814.00	\$2,814.00	Number of CRs * minutes * 6 mos / 60 minutes * hourly rate
6-month Total with Credential Reviews Done Centrally	\$40,666.00	\$66,709.00	
Credential Reviews (if local offices choose to do them).	N.A.	\$6,700.00	Number of CRs * minutes * 6 mos / 60 minutes * hourly rate
6-month Total with Credential Reviews Done Locally	N.A.	\$70,595.00	
Annual Total with Credential Reviews Done Centrally	\$81,332.00	\$133,418.00	
Annual Total with Credential Reviews Done Locally	N.A.	\$141,190.00	

Our calculations are based on the following:

Parameters

- During the six month period, 88 new Services Specialists were hired, with 84 being hired by the CCHP process and four hired directly by the Northern counties.
- The CCHP-hired employees were placed in 21 different counties.
- Eleven interview days were scheduled by the CCHP.
- 114 supervisors, serving on 57 interview panels, interviewed 254 applicants.

Assumptions

If hiring were done at the local level rather than through the CCHP process, the following assumptions apply:

- The number of interviews required to hire one or more candidates in each hiring event almost doubles with each additional candidate:
 - 6 interviews for 1 hire
 - 11 interviews for 2 hires
 - 15 interviews for 3 hires
- 2.5 supervisors were utilized for each interview panel (some counties use two supervisors and some counties use 3 supervisors on each panel).
- A new hiring process would commence if two or more months elapsed since the last interviews.

Estimates

- If the 21 counties conducted their own interviews to fill these same 84 positions, we estimate that the FIA would have conducted 386 interviews. The estimated time per interview, including scoring and decision making, is 1.5 hours for each interview panel member. (Total cost = 386 interviews * 2.5 supervisors * 1.5 hours * \$28.80 = \$41,688)
- Cost for the interview process (field supervisor costs):

Salaries:	\$26,256
Mileage:	\$3,431
Lunch:	\$826
Total:	\$30,516

- With the CCHP, The Office of Human Resources (OHR) screens five applicants for each interview. Through local hiring, counties would screen seven applicants for each interview. The OHR screens fewer because many applicants are interviewed for multiple counties. It takes the OHR five minutes per applicant; it would take the county eight minutes per applicant. An OHR Personnel Representative is paid at a rate of \$26.80 per hour and a county Services Supervisor at \$28.79.
- For each hiring event at the county level, it is likely that the supervisors involved would choose their own interview questions from those provided by the OHR. We estimate that two supervisors would work together to design the process, each spending one hour.
- We estimate that CCHP staff spend three hours scheduling supervisors to serve on interview panels. (Two hours for an HR Specialist, and one hour for a Personnel Aide).
- Scheduling each applicant for an interview takes about ten minutes. They are called, left messages, calls are returned, and confirmation letters sent. No major efficiencies are gained from either process
- If done by the counties, reference checks are generally conducted for the top three candidates for each position. CCHP staff conduct reference checks for twice as many candidates as will be hired.
- The estimated time for a county office to conduct background checks on an applicant is ½ hour. Because of the efficiencies gained by doing several background checks at once, the estimate using the CCHP is ¼ hour per applicant.
- Applicants are tested on both a writing sample and computer proficiency at the same time. It takes each applicant ¼ hour to complete them. CCHP staff proctor four or five people at once, while county offices would do them one at a time.
- OHR assistance is estimated at two hours per hiring event. We estimated that 42 hiring events would occur at the local level in the 21 counties, based on the number of hires and timing of hiring in each county
- OHR staff would spend .5 hours reviewing the selection package from each local hiring event after the selections are made.
- To estimate the number of credential reviews done at the county level, we assumed that the number of applications would increase to 500, and the length of time to do a credential review would increase to five minutes. Each month, FIA receives between 300 and 400 applications in response to their ongoing web posting. Under the CCHP, the credential reviews are done by one person, each taking about three minutes. If counties each posted their own vacancies, a Personnel Specialist for the county would do the credential reviews. This would be much more time consuming because the Specialists would not be doing them as routinely. It would also lead to more duplication – many applicants would apply to several different counties, and without a central data base, the credential reviews might be done repeatedly for the same applicant.